

**2008****JANUARY**

- Vatika Enriched Coconut Hair Oil relaunched in a new packing.
- Dabur Badam Tel launched.

**MARCH**

- Dabur Gulabari Face Freshener Spray launched.

**APRIL**

- Dabur Super Thanda Tel launched.

**MAY**

- Dabur Active Blood Purifier launched.
- Dabur Bhringraj Ayurvedic Tel launched.

**JUNE**

- Odomos Naturals launched in cream and lotion formats.
- Dabur GlucoC Plus launched.
- Odomos spray launched.

**JULY**

- Dazzl surface cleaner launched nationally.

**AUGUST**

- Vatika Conditioners launched.

**OCTOBER**

- Gulabari Cold Cream and Lotion launched nationally.

**NOVEMBER**

- Dabur Chyawan Junior launched nationally.



# The fm GIAN

FROM A PURELY AYURVEDIC COMPANY  
PLAYER, DABUR INDIA HAS HAD AN EX

By DHALETA SURENDER KUMAR

FOR MORE THAN A YEAR NOW, WHILE THE MEDIA talked about the slowdown – companies going into losses, cutting on expenditure and postponing launches and on the consumer side how they would down-trade or procrastinate buying, there is one company that silently saw opportunity in all the chaos around. “People can postpone buying a fridge but they cannot postpone buying toothpaste. So, our growth has been constant quarter to quarter,” Amit Burman, Vice-Chairman, Dabur India, sums up the mood at Dabur during the slowdown period. It defied the general trend and saw opportunities in new launches (Uveda) and acquisitions (Fem).

The company that completed 125 years in 2009, till a decade ago, was purely known as an Ayurvedic company. Today, it is the fourth largest FMCG player in India, compet-

# NEW cg T

TO BE THE FOURTH LARGEST FMCG  
AMPLARY YEAR DURING THE SLOWDOWN.

ing with the giants like Hindustan Unilever, P&G, ITC and Nestle. Today, the company, besides medicines, is into skin care, oral care, home care and foods.

As compared to 2008, when Dabur launched 14 new products or variants, in 2009 it launched 18. This marked the company's entry into several new and vibrant categories like skin care (with Gulabari range), hard surface cleaners (with Dazzl range), malted food drink (Chyawan Junior).

## **The LUCRATIVE Market**

Eyeing the estimated Rs 2,000 crore Indian skin care market, Dabur announced its entry into the skin care segment last year when it converted its rose water brand, Gulabari, into an entire range comprising rose water, face freshener spray, moisturising cream, and moisturising lotion. The acquisition of Fem Pharma, in June this year – for Rs 300 crore – only strengthened Dabur's presence in the skin care segment.



**2009**

### **JANUARY**

- Dabur Total Protect Ayurvedic Health Shampoo test launched.

### **FEBRUARY**

- Vatika Enriched Almond Hair Oil test launched.

### **MARCH**

- Vatika Dandruff Control launched with three variants.
- Dabur Active Antacid launched.



### **APRIL**

- Dabur Amla Flower Magic Hair Oil test launched.



### **MAY**

- Real Burrst launched.
- Real Apple Nectar launched.
- Dabur's Ayurvedic ethical products range relaunched in a new packaging.

### **JUNE**

- Real Peach Nectar launched.
- Real Blackcurrant Nectar launched.



### **JULY**

- Fem Hair Removing Solution launched.
- Fem Herbal bleach launched.
- Vatika Enriched Almond Hair Oil launched nationally.



### **AUGUST**

- Dabur Uveda launched.
- Dabur Total Protect Ayurvedic Health Shampoo launched nationally.

The acquisition saw the company's share in the skin care segment shoot up from a mere one per cent to above six per cent. Fem has been the world leader in bleach cream category by tonnage, and has brands like Oxy Bleach, Fem Bleach, Botanica and Saka in its portfolio.

According to Sunil Duggal, CEO, Dabur India, "The acquisition brings to Dabur a portfolio of well-known household brands that enjoy a pole position in their respective categories, offering us a platform to enter newer categories and markets. Fem's brands fit in well with Dabur's future growth plans, both for India and international markets."

The acquisition has also given Dabur ready access to Fem's 25,000-strong parlour network, through which it can push and promote its own core brands.

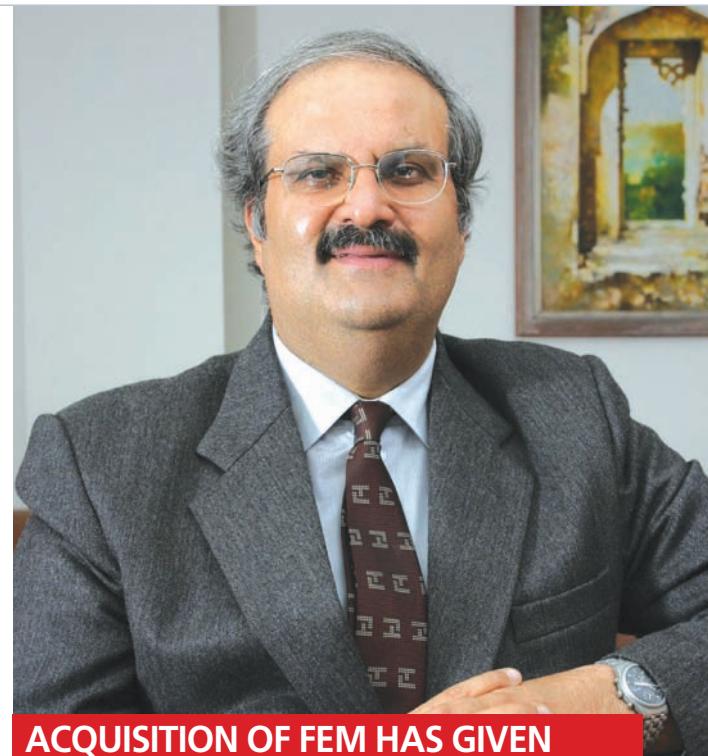
Later in August, the company further strengthened its skin care segment with the launch of Uveda, an array of skin care products – fairness cream, face wash and moisturisers – that find their formulation based on Ayurveda.

According to Vikas Mittal, Executive Vice-President, Marketing (Personal Care), Dabur India, "Dabur Uveda's philosophy, brings alive 'Beauty that glows from within'. It has critical herbal extracts derived from authentic Ayurvedic ingredients that are documented in sacred Ayurvedic scriptures of Bhavprakash Nighantu and proven actives. These ingredients are well researched and are known to enhance skin tone and texture. The formulations have been made in modern formats to make it relevant for the woman of today."

The range has been test-launched in Delhi, the National Capital Region comprising of Noida, Ghaziabad, Faridabad and Gurgaon; and Maharashtra. The consumer response to Uveda, according to Mittal, has been highly encouraging.

The brand is being positioned as a mass-premium brand, and is endorsed by Bollywood actress, Vidya Balan. The company expects the new brand to acquire an eight per cent market share in three categories – fairness cream, moisturisers and face washes – by the end of this fiscal. Fairness creams as a category is the biggest of the three, with a size of Rs 1,000 crore. Meanwhile, moisturisers and face-washes have a market size of Rs 200 crore and Rs 70 crore, respectively.

Uveda, according to Duggal, forms part of Dabur's three-pronged skin care strategy. The first pillar of this strategy was the expansion of its brand Gulabari. The second pillar of this strategy was the acquisition of Fem. Uveda formed the third pillar of this strategy. Today, Dabur, with a market share



**ACQUISITION OF FEM HAS GIVEN US READY ACCESS TO FEM'S 25,000-STRONG PARLOUR NETWORK.**

**- Sunil Duggal**

of 6.7 per cent, is the third largest player in the skincare market, close on the heels of Emami (6.8 per cent); and Hindustan Unilever (59 per cent). Behind Dabur are Loreal (6.4 per cent) and Cavin Care, which has a market share of 3.2 per cent.

Riding on all these launches, Dabur has been able to retain its quarter on quarter growth between 19 and 23 per cent. "We engineered ourselves to get buying efficiencies and other functional efficiencies. These are things that have kept our profitability at those levels," says Burman.

However, at the same time, the company was conscious enough to postpone the launch of some high-cost and long-gestation period products and projects, and focused more on high-growth categories.

### **The FRESH Home**

Dabur's launch spree started in mid-2008, when it launched Dazzl, a new hard surface cleaner, which is useful, both as a kitchen cleaner and floor cleaner. Dazzl was a new brand

from the house of Dabur, after a gap of almost 10 years.

With Dazzl, Dabur hopes to take advantage of the housing and construction boom across the country, which has lead to a rise in the number of modern homes and an increasing awareness about hygiene. Girish Kumar, Senior General Manager, Home Care Division, Dabur India says, "Booming new age homes, increasing hygiene consciousness and upcoming modern trade are some of the major drivers of the homecare category in the country today."

While, the Indian home cleaning products market is pegged at Rs 1,600 crore, hard surface cleaner market is estimated at Rs 160 crore. Dabur hopes to capture 10 per cent of the share in the latter by the end of 2010. The company has roped in television star, Smriti Irani as the brand ambassador for Dazzl.

Officially, Dabur entered the home care market in 2005, when it acquired Balsara for Rs 143 crore and got control over three Balsara group companies — Balsara Hygiene Products, Balsara Home Products and Besta Cosmetics. As a virtue of this acquisition, Dabur got brands like Promise, Babool and

**WE WANT TO FOCUS ON OTC HEALTH-CARE. WE ARE GOING TO COME OUT WITH MORE PRODUCTS IN THIS SEGMENT.**

- Amit Burman



Maeswak (toothpaste); Odomos (insect repellent cream); Odonil (air freshener), Sani Fresh (toilet cleaner) and Odopic (dish-washing liquid), into its fold.

### **| For THIRSTY Consumers**

The story of Dabur's diversification goes back to 1997, when the company started the Foods division, which today brings out products like Réal Fruit Juice, Réal Activ Fruit & Vegetable Juice, Hommade, Lemoneez and Capsico. In May, this year, the brand entered the beverage segment too with Burrst Fruit, which comes in four flavours - mixed fruit, apple, orange and mango flavours. The non-fizzy drink is positioned as a light refreshment and thirst-quencher, for all age groups.

With Burrst, Dabur would be directly competing with the likes of Coca-Cola, Pepsi and Parle, which have brands like Slice, Maaza and Frooti, respectively. "With a market size of Rs 1,100 crore, the Indian fruit-beverage market is quite lucrative. The market is expected to grow at 30 per cent annually. We are looking to establish a market share of 4-5 per cent in the next two to three years," says K K Chutani, Head, Marketing, Dabur Foods Division, Dabur India.

### **| The TRANSFORMATION**

Dabur was primarily known for its three star products – KB Tablets (Kshubdh Bardhak), Hingoli and Chyawanprash only. The company branded and renamed KB tablets as Hajmola, and got the three products converted into over the counter (OTC) products.

So did Dabur glamorise its Ayurvedic offerings? "No," says Burman, adding, "The medicines still have the Ayurvedic formulation. What we all did was that we put them in the OTC arena. So, I will not say that we glamorised them, but yes we branded them and contemporised and made them easy-to-use for the Indian consumer."

Once Dabur got into the OTC arena, it was very clear that it wanted to get more products in the healthcare segment. "We already were present in the oral care segment with Dabur Lal Dantmanjan. We added the Red Toothpaste; and when we acquired Balsara, we further strengthened the offering with Promise, Babool and Meswak toothpastes, and thus our presence in the FMCG space," says Burman.

The same goes for hair care. Dabur had Amla hair oil. It completed its portfolio with the launch of Vatika hair oil and shampoos. According to Burman, Vatika is the fastest growing

**BATES 141**

Products Handled:

**Gulabari, Uveda, Red Tooth Paste, Lal Dant Manjan****Dheeraj Sinha, Chief Strategy Officer**

We handle Dabur Lal Dant Manjan and this product was more into a problem solution space. But when we did some work on the brand in the rural areas, we found that the consumer is looking beyond the frugal benefit. Therefore, constantly the brand is moving according to the changing needs.

**LOWE**

Products Handled:

**Hajmola, Real, Fem, Honey****Mohit Beotra, Executive Vice President, Delhi**

Dabur's ability to gauge consumer insight is really a strong point about the company. For example, for Hajmola, apart from emphasising on the 'chatpata' taste of the product, the company has tried to convey that no meal is complete without Hajmola, trying to make it a substitute of 'saunf'.

**O&M**

Products Handled:

**Amla Hair Oil, Flowermagic Hair Oil****Sanjay Thapar, President (Delhi)**

Dabur has been constantly evolving according to consumer needs and develops its product line-up accordingly. This is one of the biggest strengths of the brand. They are also the pioneers in natural and herbal products. Consumers are very sensitive about chemical ingredients these days.



shampoo brand in India, reporting an over 32 per cent growth.

**The TRADITIONAL Channels**

Even as the industry in general was sharpening its focus on the emerging modern trade, Dabur felt that the traditional trade would continue to drive growth for the FMCG sector, and invested heavily behind the traditional channels. Among the several initiatives rolled out for traditional trade was the Parivaar programme under which the company adopted and nurtured key grocery stores across the country. "The initiative sought to build long-term relationships with key grocery stores by offering them special discounts, margins and rewards to participating outlets," says Duggal.

Duggal feels that the point of purchase is fast becoming a very critical part of the buying and selling experience. With more and more choices available in the market today, it's very important to have the right interventions in place to remain above the clutter. Apart from buying shelf space, Dabur offered shopkeepers retail solutions and merchandise that would help them add value and keep pace with changing times. "In the bargain, we got structured point-of-sale visibility, which ensured faster off take at outlets. While this ensures that the company gets better visibility for its products at the participating outlets, the kirana stores can also see a growth in profits and an improved shopping ambience.

While on the one hand, Dabur put in place aggressive cost-management initiatives that included hedging on the commodity exchanges and intelligent buying of raw materials, it was also among the first to increase focus on small towns and rural markets – which have remained insulated from this slowdown – and traditional trade channels.

**The COUNTRY Roads**

Almost 50 per cent of the sales, for Dabur, come from rural and semi-urban areas. The company identified seven key markets – Uttar Pradesh, Madhya Pradesh, Bihar, Punjab, West Bengal, Maharashtra and Gujarat, where it decided to step up its rural reach by going into villages with population of under 3,000. "We identified the high potential districts and increased our foot soldiers in these markets to ensure deeper penetration. This initiative has alone resulted in a huge growth with these rural focus states reporting an over 20 per cent surge, far outstripping the urban markets," says Duggal.

One of the key initiatives, keeping the rural market focus in

mind, Dabur took was to redouble its efforts to launch small packs and sachets in villages. Dabur Amla hair oil in a Re 1 sachet, and Dabur Chyawanprash in a 100 gm pack priced at Rs 20, are just a couple of examples.

Also, Dabur moved beyond the traditional media options like radio, television and cinema, and entered into direct engagement with the consumer with initiatives like the rural beauty and talent contest with Dabur Amla – Dabur Amla Sundar, Susheel, Yогya Pratiyogita, Ab Banke Dikhao Rani. “The activity provides an interactive platform for women to inform, educate and communicate the benefits of Dabur Amla hair oil. It is also a platform that enables women to showcase their talent and beauty and get recognition and reward, says Duggal.

The initiative has been rolled out in five states – Uttar Pradesh, Punjab, Bihar, Rajasthan and Madhya Pradesh, covering over 1,000 villages. The winners of the activity will be given a chance to establish themselves as independent and established businesswomen in their own town.

These initiatives have resulted in strong double digit growth for Dabur. Amla hair oil, for instance, has grown upwards at 20 per cent, while Chyawanprash has reported a near 12 per cent growth. “Even the Vatika franchise was strengthened with the introduction of new variants and the brand extension into conditioners,” Duggal informs.

## Getting **CLOSER** to People

Dabur's advertising and promotion (A&P) spends during the first half of the current fiscal have been higher than average. They were, in fact, at an all-time high at around 14.1 per cent of the turnover for the quarter and 14.6 per cent for the half year. Dabur had a turnover of Rs 2834.11 crore for the '09 fiscal. On an average, Dabur spends between 12 and 13 per cent (between Rs 300 crore and Rs 350 crore) of its turnover on A&P. “It was largely due to some high-cost initiatives like new shampoo launches, the skin care launch and initial spends for its fruit drink range Burrst. Also, the benefits of low material costs have flowed into higher ad spend during the first half of the year,” says Duggal, adding, “Consumer promotions and activations have also been high during the year. All our brands – from personal care to oral care and health supplements – have rolled out specific programmes aimed at consumer connect and availability of products.

One of the activations that Dabur has taken up is the

## MUDRA

Products Handled:  
**Shilajit**



### **Bobby Pawar**, Chief Creative Officer

Dabur has originally been an Ayurvedic medicine lead company and the fact that they have made Ayurveda contemporary has worked well for the brand. In my opinion, to do something like that needs forward thinking and Dabur has displayed that.



## LAW & KENNETH



Products Handled:  
**Real Activ, Pudin Hara**

### **Anil S Nair**, President

When it comes to communication, Dabur never looks at any campaign in isolation. There is always a long-term benefit and a roadmap for the brand is kept in mind. Dabur is extremely conscious about the bigger roadmap and campaigns are a way to achieve that.



## CONTRACT



Products Handled:  
**Vatika (Shampoo & Oil), Glucose D**

## MCCANN ERICKSON



Products Handled:  
**Homemade, Chyawanprash, Babool, Meswak**

## THE THINK TANK

These four people have been at helm of affairs to spearhead Dabur even during the slowdown period.



**V S Sitaram**  
*Chief Operating Officer*



**Vikas Mittal**  
*Executive Vice President - Marketing (Personal Care)*



**K K Chutani**  
*Marketing Head (Foods Division)*



**K K Rajesh**  
*Executive Vice President - Marketing (Healthcare)*

Dabur Chyawanprash – Immune India Campaign, which it is doing in association with Jagran Solutions and Times Red Cell. As a part of the exercise, workshops on immunity building with easy-to-comprehend pictorial presentations are conducted. These are followed with games, besides quiz contests to spread the message of being 'strong from within'. "We are also acknowledging students with full attendance," says Ambika Sharma, National Head, Jagran Solutions.

According to her, while most of the FMCG players are strong on television, Dabur is an activation lead brand.

One of the larger activities that Jagran Solutions has done for Dabur is 'Ace of Pace' for Glucose D. The activity was done in schools, across six states to recognise fast bowlers. Similarly for Gulabari, 'Fresh Face' campaign was organised in campuses across the country. For Dabur Almond hair oil, in-shop campaigns were done to convert consumers using almond hair oil of other brands. "There is no new market to be created. This is an impulse purchase market, and the idea was to bring awareness about the product and convert them to Dabur Almond hair oil," says Sharma.

## The WAY Forward

Burman is sure that in the FMCG category, Dabur is present in most of the segments. "I don't think there are any new segments that we are looking to enter. But, there are opportunities to look for growth in the sectors that we already exist in," he says.

The company true to building on the equity of its existing brands is working towards expanding its Hommade range of cooking additives. The plans are to take the range beyond its existing portfolio of cooking additives to offer wider range of cooking solutions.

Dabur is present in more than 60 countries. The next obvious step for it is to strengthen its presence internationally. "Our international business grew up by 50 per cent last year, so again it is one of the focus areas for us. We also want to be more focussed in over-the-counter healthcare. We are planning to come out with more products in this segment. So, these are the focus areas for us," adds Burman. ■

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